SUPERMARKET BUSINESS

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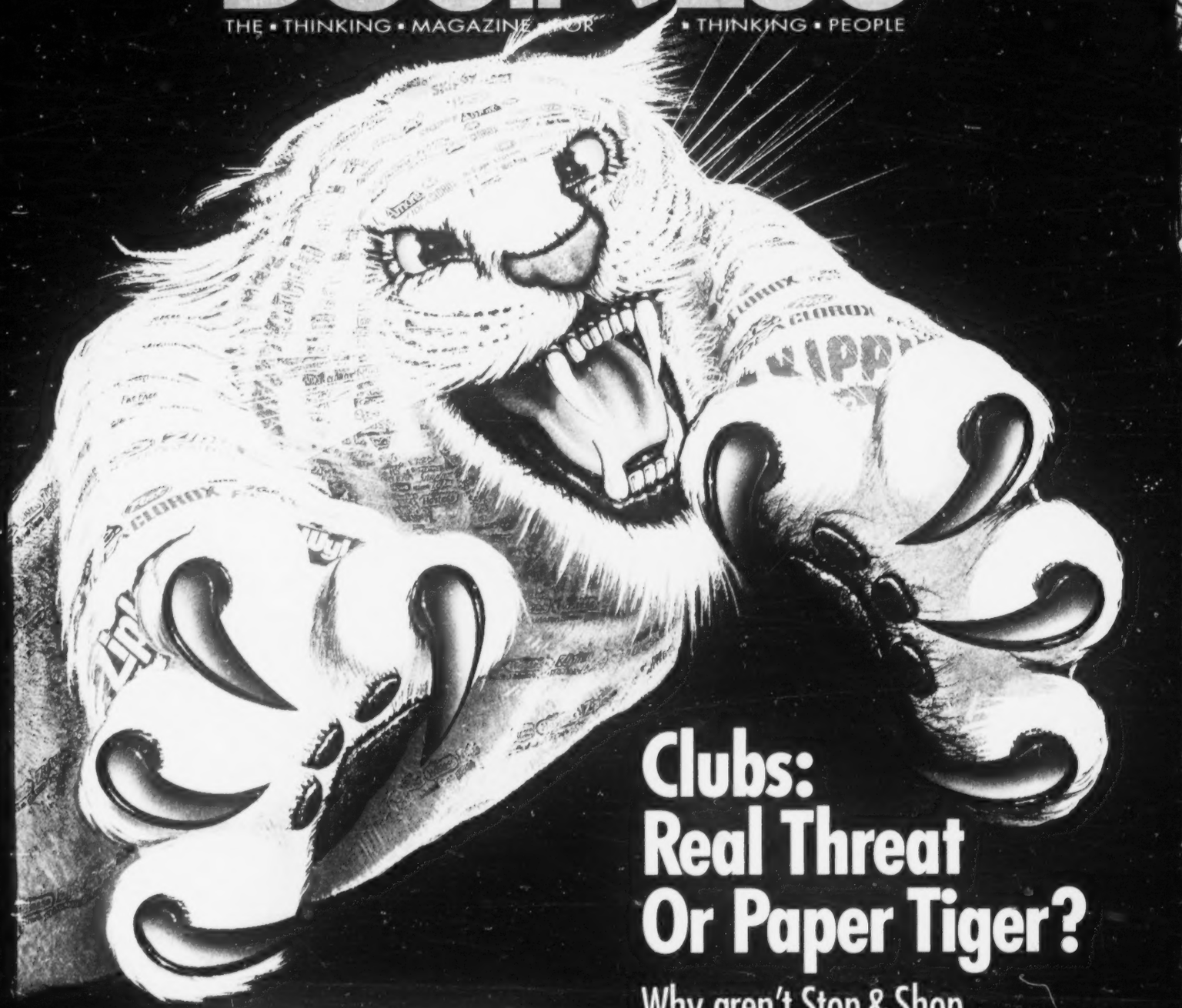

Clubs: Real Threat Or Paper Tiger?

Why aren't Stop & Shop, Edwards running scared?

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HCFC OR WAIT AND SEE? THAT IS THE QUESTION MIKE DUFF **29**

Wondering what to do about your store refrigeration systems in light of the pending phaseout of the most widely used refrigerant now on the market? You're not alone. Here are the questions everyone's asking, and the options.

HOW CAN AN UPSCALE STORE MEET HEAVY CLUB COMPETITION? ASK PERLMART SHOPRITE, WHERE IT'S BEING DONE FRANK HAMMEL **35**

It's said you can't be all things to all people. But sometimes you have to try... especially when pressed on all sides by clubs. Here's how one operator shifted his focus to meet changing market conditions and new consumer priorities

INSTORE BUSINESS

SPECIAL SECTION: BAKERY/DAIRY/DELI RETAILING THEATER **OPPOSITE PAGE 38**

Looking for new ideas to make your bakery, deli and dairy sections a standout? Look no further than our special focus on stores that do a stellar job of catching the consumer's eye.

TAKING THE SERVICE CONCEPT ALL THE WAY HOME DAVID LITWAK **39**

Going the extra mile sometimes means not only driving your customers' groceries home, but putting them away once you're there. But if that's what it takes to get people to bypass the chains, that's what Cricenti's does.

NUTRITION: A DELI MENU OPTION THAT MEANS BUSINESS ANNE PICI **49**

Once noted almost exclusively for high-calorie, high-fat, high-sodium foods, today's delis are developing a "nutrition conscience" that puts them in a better position to compete for the dollars of health-conscious consumers. Here's what's happening...

NONFOODS BUSINESS

TURNING NONFOODS INTO A WEAPON AGAINST THE CLUBS FRANK HAMMEL **63**

The Achilles heel of the club store is its limited selection ...particularly in GM/HBC. Here's how one operator under pressure is using the club's weakness by playing up the supermarket's traditional strengths.

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GOOD GRIEF! IT'S TWO GUYS FROM HARRISON

By Ken Partch, Editor-In-Chief

In the beginning (or close enough to it), there was David & Goliath, there was Dorothy Lane Super Centers of Ohio, there was General Supermarkets' Shop-Rite Discount Department Store, and Food Fair's J. M. Fields. There was Unimart, Giant Food's Super Giant Discount Centers, and Meijer's Thrifty Acres. There were marriages like K mart and Allied, and offspring like Bradlees (from Stop & Shop) with supermarkets in them—and, of course, Two Guys from Harrison. Don't forget Bernie Stevens of Florida, who built stores all the way up to 70,000 sq. ft. and, later, back down to 26,000. Not too many of these stores have survived.

Professor Malcolm McNair of Harvard Business School appeared at all the conventions, lo these many moons ago, and explained that discounting was spawned by retailers who allowed their gross margins to get too high, allowing room for a low-cost operator to get under. How about that?

There was something else, of course. There is always something else. Supermarket operators were caught with their gross margins too high, partly because of trading stamps. Trading stamps cost the operators, and thereby consumers, some two percent of sales. These "free" trading stamps permitted consumers to trade in their stamp books for items at the redemption centers at full list price. If they had the option of taking the cost of stamps in discounts, they could buy the general merchandise "free" items at a discount store for far less.

So-called discounting was, at this time, nothing more than a lot of conversation about how to get out of trading stamps, which no longer had any promotional clout because all your competitors had them. It was just another cost of doing business that added no value to the consumer, but many operators clung to them to the bitter end. A&P helped to provide the *coup de grace* by getting into Plaid stamps just as everyone else was getting out.

When it comes to "alternative formats," it is never just formats, or the traditional supermarket would have disappeared long ago.

Originally, of course, they were used to build volume when supermarkets had saturated every market, and the great trek to the suburbs was beginning to subside. I know all this because thinking about Stop & Shop spinning off Bradlees sent me to the bound volumes of *Food Topics*, the predecessor of this magazine.

Another thing sent me there, and that was the Food Marketing Institute study on Alternative Store Formats revealed at the annual convention last month. I think it was right and proper to do the study, because it lays things out in clear and orderly fashion for all to see.

It makes it clear that most of the shoppers at these stores are potentially the same people who shop at supermarkets. I am not sure why it had to be made clear that if the small businessman, or lawyer, or doctor, is shopping for these things for the office and for the home, it means that his wife is probably not shopping for them at the supermarket. This is also true of Staples, by the way, where he might buy film for his camera and a few other things.

It seems as if once the Malcolm McNair law of retailing begins to apply, an operator can't simply say: "Hey! I think my margins are getting too high—I'll have to drop them, which means I'll have to cut prices." The problem with cutting prices, when everything else remains the same, is that there is no immediate benefit—save, possibly, staying in business. So, we look for disguises to cutting prices, such as the magic of "discounting," and "Mini-Pricing, and possibly a move into general merchandise which will replace my volume losses with higher-margin goods.

The FMI Committee Discussion Paper, which accompanies the FMI study by consultants McKinsey, Opinion Research and Willard Bishop, does a good job of positioning it, alerting members to the dangers at hand with a minimum of manufacturer-bashing, but at the same time taking a firm stance on fair treatment.

The part I found somewhat baffling was the statement: " ... FMI will continue to monitor mass merchants as they add grocery products because this format may ultimately prove to be the most potent threat to traditional supermarkets. The still evolving Wal-Mart 'supercenter,' a large prototype Wal-Mart store with a 45,000- to 50,000-square-foot full-service grocery section, is an example of this format. There are

Continued on page 11

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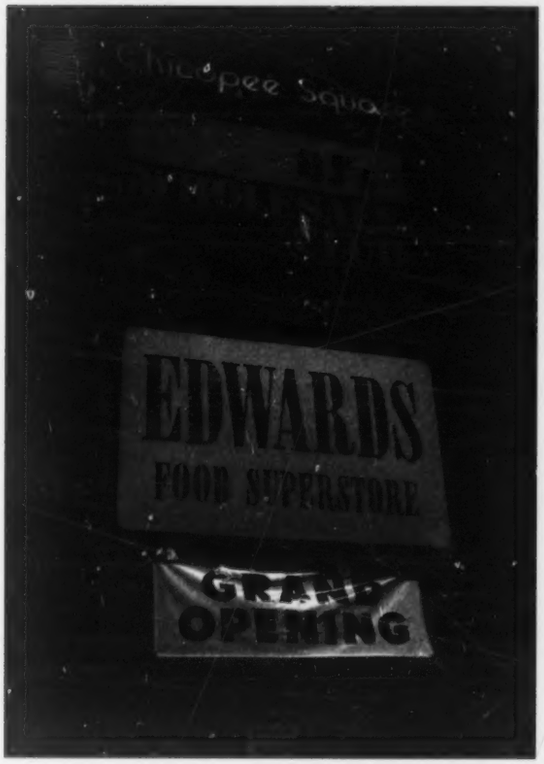
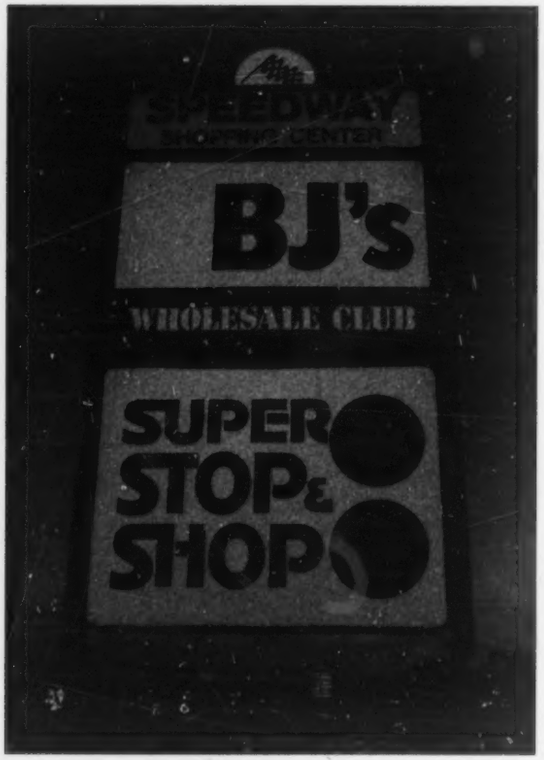
IS THE CLUB A REAL TIGER OR JUST PAPER?





If warehouse clubs are so tough, why did Stop & Shop and Edwards open next door?

BY KEN PARTCH

In our continuing saga of the warehouse clubs and their potential impact on supermarket performance, we recently visited two locations in New England where supermarkets are competing adjacent with clubs. We did so in order to observe both merchandising patterns and pricing structures.

In one location, a small shopping strip in Westborough, Mass., a suburb of Worcester, Stop & Shop occupies one end of the shopping strip while BJ's occupies the other. They even share a joint billboard. Two anchors, you might say, in a strip of a handful of stores.

In the other location, also sharing a joint billboard, is Edwards Food Superstore (the low-price-image Finast operation) in Chicopee Falls, Mass., some 70 miles away. It competes with a BJ's located just on the other side of its parking lot.

Also in Chicopee Falls, on the same side of the one-way Memorial Highway, perhaps 100 yards away, there is a corporately-owned Wakefern Super ShopRite. A steel divider separates all traffic on Memorial Highway, not an ideal situation, but good locations are tough to find along the heavily populated Connecticut River valley.

The Stop & Shop is a large-scale Super Stop & Shop "General Store" with some 60,000 sq. ft. The Edwards is a new format also of some 60,000 sq. ft. In both cases, the BJ's was already on location when the supermarkets decided to come join them.

Two schools of thought

Obviously, this was a conscious decision, and in the Edwards case, a recent one. There are at least two schools of thought about the rationale of competing head-on with the clubs. One, wherever you are in the market for 10 to 20 miles around you will be competing with the club. The

SAMPLE (Total Interviews: 51)

	BJ's	Stop & Shop
Shoppers leaving each store	26	25
BJ's customers who also shop Stop & Shop,		10
Stop & Shop customers who also shop BJ's	8	
Total of each store's shoppers	34*	35*

*18 Respondents shopped at both stores.

Everything purchased is for family use:	85%	100%
How long have you been a member:		
Less than 1 yr	23%	NA
1 year	26	
2 years	15	
3-4 yrs	8	
5+ years	28	
How often they shop BJ's (Among respondents of both stores):		
More than once a week	28%	0%
Once a week	8	12
Once every 2 weeks	44	33
Once a month	16	22
Less than once a month	4	33
Distance traveled to shopping center:		
Mean	15 miles	5 miles

Average amount spent each shopping trip
(Among BJ's respondents only)

Total spent and amount spent on grocery items

Mean Expenditure	$152
Mean Expenditure for Grocery Items	$136
% of BJ's purchases available in supermarkets	89%

BJ's most frequently purchased items:

	Number of Shoppers purchasing
TOTAL	**(34)**
1. Paper	19
2. Fresh Meat/Chicken	16
3. Soda	14
4. Juice	12
5. Cereal	11
6. Fresh Fruit	9
7. Pasta	7
8. Candy	7
9. Ice Cream	7
10. Cookies	6

Stop & Shop most frequently purchased items:

	Number of Shoppers purchasing
TOTAL	**(25)**
1. Fresh Meat/Chicken	17
2. Fresh Vegetables	15
3. Juice	14
4. Fresh Fruit	12
5. Milk	11
6. Bread	10
7. Cereal	9
8. Fresh/Frozen Fish	7
9. Cold Cuts	6
10. Paper Products	6
11. Cheese	6

BJ's RESPONDENTS ONLY
REASON BUYING HABITS CHANGED IN THE PAST FEW MONTHS

Increased **54%**

Kids have come back from college—more mouths to feed.

I bought more for this weekend's banquet.
I've been paying more attention to the types of things I can buy here.
I spent more today because I have been spending less in general at the supermarket.
I needed to re-stock my shelves.
Becoming more familiar with store.
I have a bigger family now.
They have new items.
Just became a member.
Prices are better.
Better selection.
Good value.
Had baby.
Good prices.

Decreased **11%**

Cutting back because of economy.
On a limited budget.
Son moved out.

Stayed the Same **35%**

Do BJ's shoppers also shop at Stop & Shop in same center

Shop at Stop & Shop **38%**

Do not shop at Stop & Shop **62%**

Of those who do not shop at this Stop & Shop, all lived at least 5 miles or more away, with **81%** of them living 10 more miles away.

Of those that did also shop at this Stop & Shop, **50%** shopped there once a week.

2/3 say they buy the same types of items in both stores.
A reported **55%** (mean) of the money spent now at BJ's by those who shop both stores would be spent in Stop & Shop if BJ's no longer existed.

Why do you shop at both BJ's and super Stop & Shop

I come here for things I can buy in bulk.
Limited storage space so I buy only some things in bulk.
I like to get my vegetables fresh in smaller quantities at the Supermarket.
I buy some things in quantity for family. The rest I buy at Stop & Shop.
I buy paper goods & non-perishables at BJ's to save money.
Variety that both stores offer. I like the produce at Stop & Shop.
I can pick & choose it vs. buying it in a big bag.
Pleasure to shop at BJ's. Prices are better.
When I only need small quantities of food I go to Stop & Shop.
I go to BJ's for multi-pack items.
I shop at Stop & Shop for the sales. I shop at BJ's for the stuff I need every week.
I go to BJ's for quantity items.

What do you buy at BJ's that you don't buy at Stop & Shop

Steak and meats in general. Meat Dept. is excellent.
Bulk items. Paper towels, toilet paper, canned goods, cereals, meats.
Quantity.
Large quantities.
Things that don't spoil that I use a lot of.

What do you buy at Stop & Shop that you don't buy at BJ's

Vegetables.
Fresh produce, small items for daily meals.
Meats and fruits.

other, since you can't buy a full week's supply of groceries at any club, you might at least gain some business from the club traffic.

When Stop & Shop opened, the BJ's was probably not offering as many consumer-oriented groceries as it does now. But according to Stop & Shop management, and local competitors agree, the Stop & Shop does very nicely. Estimates are around $500,000 to $550,000-plus, on the low side.

Averaging $861 per sq. ft.

For Stop & Shop that's not spectacular, but it is respectable. Stop & Shop has several superstores in the $800,000 to $1 million-per-week range. It also has one of the highest average sales per sq. ft. in the industry—$861.

Shoppers were intercepted as they exited both BJ's and Stop & Shop to learn how many shopped both stores, how many did not and why. A third of Stop & Shop shoppers belonged to BJ's. While Stop & Shop gained a little more from BJ's members, although the sample was admittedly small, what they buy where is also interesting.

It should be remembered that Stop & Shop does some 20 to 25 percent of its total sales in general merchandise, in such things as housewares, home office supplies, RTA furniture, garden accessories, and hard and soft cover books. There is also a pharmacy.

In food, Stop & Shop takes a back seat to nobody—especially in produce, fresh fish, fresh meat, and prepared foods. As one local competitor put it: "They have no weak areas. They are simply a good operation."

Spinning off Bradlees

The company's financial reports back up that observation. While it is paying down considerable debt, as a result of a 1989 LBO, (2.5 percent of sales interest rate for 1991) it still manages to earn a net of

STOP & SHOP RESPONDENTS ONLY

Is Stop & Shop your usual supermarket?:

Yes	84%
No	16%

Frequency of shopping Stop & Shop:

More than once a week	20%
Once a week	72%
Once every 2 weeks	8%
Less than once in 2 weeks	0%

Amount spent in Stop & Shop compared to usual shopping trip:

Amount Spent this Trip: **Mean $45** **Mode $60**

This trip I spent:

More than Usual	8%
Less than Usual*	48%
Same as Usual	44%

*Average reported decrease in shopping bill was $49.

Why do you shop at Stop & Shop?

I'm used to it and know where every thing is. They have pretty good buys.
Huge selection.
It offers best variety of all markets in the area that I have seen.
Like the produce, cold cuts, meats. Coupons.
If I need a few things I will stop here because it's closer.
Good selection. Great prices.
For better prices.
It's close to work.
It's clean and has everything I want. The butcher is a big help.
Very convenient. Good assortment. My daughter works here.
Close.
Convenient. It has most everything.
I like it. I like meat & produce.
Big variety. Prices are good.
Good prices. Close.
Close. Good selection. Good prices.
I like the way the store is set up.
Good store. Double coupons.
Good sales.
Good salad bar.
Free coupons.
Don't have a market in Grafton. It's the best one around. Prices and selection are good.
You can find something here that other stores don't have.
Good buys. Coupons.

Why are you a member of BJ's?

Member of BJ's 36%

Good prices on some things.
For business.
My son is a caterer. Buying for his business.
Needed to buy tires for the van. Don't use it that much.
Good deals;prices are cheap.
For buying in quantity. Cheaper.
Animal supplies in large quantities.
We buy in quantity there.
Good deals on bulk items.

Why Not a Member of BJ's?

Not a member of BJ's 64%

Don't think savings are that good.
Haven't gotten around to it.
I don't have the time to shop there.
I don't buy a lot of food.
Never got around to it.
Don't want to pay membership fee.
I don't need to buy large quantities. I don't want to pay fee.
I don't buy bulk items. I live alone.
I don't buy in bulk.
Card expired. Did not renew but may in the future.
I paid $35 for my 1st membership & think they changed systems because they wanted another $35 to maintain my membership.
I'm not going to pay them to shop there.
No need for large quantities.
I don't want to be.
Membership fee.

Why do you shop at both BJ's and Stop & Shop?

I like BJ's for houseware products and some electronic equipment.
Sometimes BJ's doesn't have what we want.
I don't shop at BJ's for food alot. Fresher food at Stop & Shop.
I shop at BJ's for tires.
BJ's is better than Sam's for deals. Small items at Stop & Shop.
Some things that I use more of are cheaper to buy from BJ's in bulk.
BJ's provides better price & quantity that I need.
I buy some things at BJ's in bulk. That saves some time and money.
I just buy some things at BJ's for the bulk and good prices.
BJ's is very good for bulk items.

WESTBOROUGH, MASS., PRICE COMPARISONS

COMPARATIVE PRICE LIST WEEK OF APRIL 20, 1992

	BJ's	Super Stop & Shop	Big D	Julio's Star Market	Edwards
Iceberg Lettuce (head)	.80	.99	.49	1.19	.50
Bananas (per lb.)	.40	.50	.49	.69	.33
Oranges (per lb.)	.62	.75	.29	.75	.50
Potatoes (per lb.)	.30	.30	.34	.40	.15
Kellogg's Corn Flakes (per oz.)	.09	.13	.11	.13	.06
Cheerio's (per oz.)	.16	.21	.21	.21	.20
Quaker Oats Instant Variety 10-Pack (per packet)	.19	.25	.27	.29	.25
White Bread (per oz.)	.08	.08	.09	.05	.07
Thomas'English Muffins (pkg. of 6)	1.27	1.69	1.69	1.69	1.69
Kahn's Hot Dogs (per lb.)	1.49	2.99	1.99	2.69	2.59
Oscar Mayer Sliced Bologna (per oz.)	.21*	.21	.19	.22	.20
Perdue Oven Stuffer (per lb.)	.89	.59	1.29	.89	.99
Ground Chuck Steak (80% lean)(per lb.)	1.68	1.89	2.29	1.46	1.79
Bumble Bee Tuna (Solid White) (per 6 1/8 oz. can)	1.21	1.49	1.38	1.59	1.39
Spaghetti (per lb.)	.61	.33	.50	.85	.33
Ragu Spaghetti Sauce (per oz.)	.04	.06	.06	.07	.06
Kraft American Cheese Singles (per slice)	.09	.16	.14	.14	.14
Whole Milk (gallon)	1.79	2.29	2.21	2.45	2.29
Blue Bonnet Margarine (per lb.)	.54	.77	.66*	.75	.59
Butter (per lb.)	1.09	1.59	1.39	1.79	1.19
Eggs (per egg)	.06	.08	.09	.08	.08
Tropicana Orange Juice (per oz.)	.04	.05	.05	.04	.04
Columbo Yogurt (32 oz.)	1.64	1.99	1.99	1.89	1.19
Minute Maid Frozen Orange Juice (per oz.)	.14*	.12	.16	.16	.12
Healthy Choice Frozen Dinner (Chicken Parm)	2.42	2.49	2.49	2.50	2.50
Ellio's Frozen Cheese Pizza (9 slice box)	2.13	2.59	2.59	2.99	2.99
Green Giant Canned Peas (per 15 oz. can)	.46	.48	.59	.75	.59
Campbell Tomato Soup (10 3/4 oz. can)	.50	.59	.59	.79	.55
Skippy Creamy Peanut Butter (per oz.)	.09	.14	.12	.11	.11
Welch's Grape Jelly (per 32 oz.)	1.25	1.39	1.39	2.09	1.39
Hellmann's Mayonnaise (per oz.)	.07	.07	.08	.08	.07
Heinz Ketchup (per oz.)	.04	.06	.06	.06	.03
Hunt's Barbeque Sauce (per oz.)	.04	.07	.06	.08	.06
M&M's Candy (plain) (per lb.)	1.58**	2.99	2.69	2.99	2.49
Nabisco Oreo Cookies (per 20 oz.)	2.19	2.69	1.49	1.99	1.50
Premium Saltine Crackers (per 16 oz.)	1.79*	1.89	1.89	1.89	1.49
Lays Potato Chips (per oz.)	.13	.19	.18	.19	.19
Doritos Corn Chips (per oz.)	.17*	.17	.17	.17	.17
Pepsi (2 litre)	1.12	1.49	1.49	1.49	1.39
Diet Coke (2 litre)	1.00	1.19	.76	1.39	.77
Maxwell House Coffee (per 13 oz.)	1.65**	2.49	2.39	2.49	2.39
Lipton Tea Bags (per tea bag)	.03	.02	.02	.03	.02
Sugar (per 5 lbs.)	1.79	2.28	1.88	2.25	2.19
Tide Ultra Powder (per oz.)	.07	.08	.08	.08	.09
Tide Liquid Detergent (per 1/2 gal.)	3.37**	4.68	2.99	4.49	4.00
Bounce Fabric Softener (per sheet)	.05	.07	.06	.07	.06
Cascade Dishwashing Compound (per oz.)	.04	.06	.06	.06	.06
Bounty Paper Towels (per roll)	.75	.94	.98	.95	.88
Charmin Toilet Tissue (per 4 pack)	.98	1.19	.88	1.25	1.19
Glad Cling Wrap (per 100 ft.)	.62**	1.29	1.29	.90**	.75**
Reynolds Aluminum Foil (per 50 ft.)	1.00**	1.50**	1.53**	1.22**	1.20**
Purina Dog Chow (per lb.)	.38*	.36	.36	.43	.36
Meow Mix Cat Food (per lb.)	.50**	1.03	.84*	1.11	.72
Tidy Cat 3 (per lb.)	.14	.14	.18	.15	.13
Kotex Light Days (per 24 ct.)	.94	1.19	1.19	1.19	.79
Crest Toothpaste (per oz.)	.24	.39	.34	.41	.31
Advil Tablets (per 100 ct.)	2.97**	8.79	10.98	7.79	6.89
Pert Plus Shampoo (per oz.)	.17	.27	.25	.27	.17
Ban Roll-On Deodorant (per oz.)	.86	1.73	1.73	1.99	1.25
Listerine Antiseptic Mouthwash (per oz.)	.10	.18	.09	.16	.14
Scope Mouthwash (per oz.)	.11	.18	.16	.14	.15
Gillette Trac II Razor Blades (per blade)	.43	.68	.74	.72	.59
Gillette Good News Disposables (per razor)	.21	.40	.37	.37	.35
Marlboro's (Kings, Carton)	15.55	17.69	16.69	18.26	17.15
TOTAL	**$63.36**	**$85.63**	**$81.09**	**$86.81**	**$74.86**

* Item not available. Price based on average of item in other stores
** Actual size of package available was larger. Price based on partial cost

1.2 percent after taxes.

Obviously very much aware of this obligation to debt, the company recently announced that it would spin off its Bradlees (discount general merchandise operation) with a separate stock offering that would take Bradlees public as a separate company. Management hopes to realize enough revenue to reduce its debt load—perhaps in order to maintain its competitive position as Wal-Mart and K mart gear up for New England.

In many ways, Stop & Shop's has been an ideal LBO. It has been able to retain excellent top management, while not ceasing to continue its aggressive new store and remodeling programs. With the exception of Vons, most other LBO companies in this industry have been hamstrung by debt and uncertainty, and unable to move.

Stop & Shop has managed to steadily increase its share of market, and should now be more than ready to meet the new competition heading into New England. To date, Wal-mart's Sam's warehouse clubs have made almost no impact at all.

Price comparisons at left are based on products available at BJ's that could be handled at competing supermarkets

Edwards out for share

Edwards has quietly reinstituted its position as a price leader, now that its management has had a healthy transfusion of new investment by Ahold of The Netherlands. It has also introduced a new format that is distinctly different.

In addition to price, the store offers an impressive display of unrefrigerated fresh produce (on those inclined, wooden and wheeled display racks so popular in Tesco of the UK). Service fresh meat leads into center-of-the-store frozen and fresh meats in a two-sided aisle reminiscent of the Albertson's center frozen food aisle.

Edwards has opened two new units within a week: one in late April, the other on May 1; one in the town of Shrews-

What does it take to compete against the clubs? Nothing much— in one case, an unbeatable operation. In the other, there's price and variety, but the jury is still out.

bury, Mass., not far from the Westborough Stop & Shop and BJ's; the other, in Chicopee Falls, cheek to cheek with BJ's.

The question arises: If clubs are such formidable competition for supermarkets, why did Stop & Shop and Edwards decide to go head-to-head in the same locations? Perhaps it demonstrates that well-run supermarkets can offer such superior services and values that they need not be the lowest in price—or, that if price is what you are looking for you can find that, too, along with superior choices of quantities in more convenient forms.

Speaking of prices

SUPERMARKET BUSINESS conducted a price survey in Westborough and the surrounding area. Stop & Shop makes utterly no attempt to meet BJ's in those grocery items "common" to both. Edwards, in nearby Shrewsbury, is priced almost exactly between Stop & Shop (the second-highest priced) and BJ's. The Edwards opened in late April, so the jury is still out on how the new format will stand up.

The Edwards, using a well-priced produce department as its customer greeting, will need to do a hefty job in produce distribution in order to maintain freshness on those unrefrigerated, wheeled racks. A wall of price-value packaged groceries forces traffic to the back of the store where its fresh meat presentation begins.

As in its earlier stores, Edwards still offers a lot of "select" meat cuts along with some choice. Shrewsbury has been the home of Big D warehouse stores for many years, but Edwards is under-selling them. With Ahold as its parent, Edwards won't have much difficulty in maintaining its low prices.

The big question is: How serious is the company about going for share? In Connecticut, where the Finast logo predominates, the Eastern Division has had its troubles finding its niche. New England observers will be watching the new Edwards move carefully.

In terms of store design, Edwards has returned to Don Watt Associates of Toronto who gave the company the "yellow peril" concept almost 10 years ago, and which shook up competitors up and down the valley. This time, Watt has designed what appears to be a rather expensive format of red brick, topped by glass and supported by a very high steel roof structure.

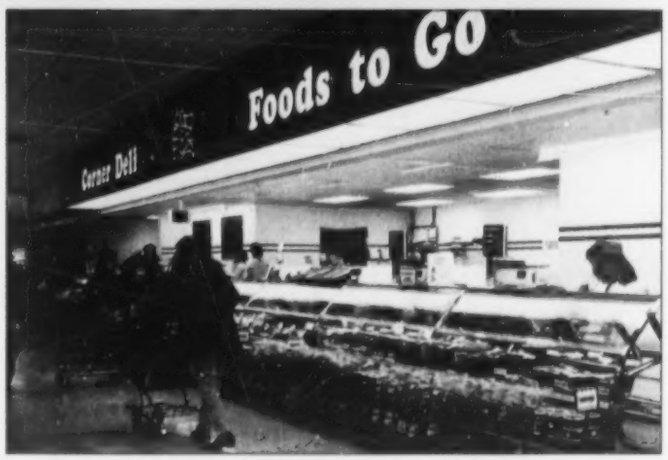
Edwards' new format has been introduced in Westborough and Chicopee Falls, Mass. That tall glass front throws a lot of light on big tables of produce to greet the shopper, with good prices.

The result is a pleasing, well-lighted, wide-open effect with few pillars, and without the cavern-like spaces of those former Woolcos that seemed difficult to fill up and to merchandise.

In addition to the pricing survey of BJ's in Westborough and its competitors, SUPERMARKET BUSINESS also conducted consumer intercepts of BJ's customers and Stop & Shop's. There was an overlap of about one-third of the intercepts who shopped both BJ's and Stop & Shop. Remarks by these shoppers on why and how they made their choices are reported. They also confirm what local observers and competitors to both have told us.

One competitor said: "We thought Bob Tobin [president of Stop & Shop] had gone around the bend when he opened in a shopping center with BJ's, but apparently not." Bob assures us he has not, but doesn't want to comment right now.

Here, then, are two very different approaches to the so-called decade of alternative formats. What does it take to compete? Nothing much—just an unbeatable operation and know-how. What's new about that? ■



Foods to Go is just one of Stop & Shop's assets in the coming battles for share of market that are shaping up for New England in the '90s. The General Store concept has made the company a formidable competitor.